



Leadership Council of Aging Organizations

William (Larry) Minnix, Jr., Chair

March 13, 2012

Dear Member of Congress:

On behalf of the members of the Leadership Council of Aging Organizations (LCAO), I write to express our support for most proposals and higher funding levels in the President's fiscal year 2013 budget for crucial programs that enable mature and older Americans to live independent and dignified lives.

Views reflected in the attached document should not be considered exhaustive of the interests of LCAO members, collectively or individually. Rather, while the individual interests of LCAO members go well beyond those set forth in these pages, this letter represents the common ground among more than 60 member national organizations and the more than 40 million senior citizens whose interests we represent.

Now is the time to prepare for the enormous number of baby boomers who will need economic, health, and long-term care protection as they age. We are most concerned that the current focus on cutting spending while extending tax cuts to those least in need may undermine such protections by basing recommendations for draconian reductions in Social Security and Medicare on faulty assumptions about both programs.

To enable older Americans to pursue healthy, independent and dignified lives, the LCAO requests and hopes that you will consider the recommendations to follow on health care, Older Americans Act programming, and an array of services and opportunities reflective of the partnership between the Federal Government and our nation's growing numbers of seniors.

We offer these suggestions to answer the human needs as well as tapping the talents of our senior population as a resource for the nation. We count among our membership organizations that serve seniors, advocate for their interests, and put their talents to use for communities across the country. While we count among our members millions of Americans, our interests are those of the entire nation.

We look forward to the opportunity to work with you to achieve our shared goals.

Sincerely,



William L. Minnix, Jr.
Chair, LCAO

Community Services

Administration on Aging (AoA)

- The President's FY 2013 budget proposes level funding for the majority of programs administered by the AoA, including efficient and cost-effective Older Americans Act (OAA) programs. Community-based programs authorized by the OAA reduce federal spending on Medicare and Medicaid by providing services and supports that enable millions of older adults to remain independent and active in their communities for as long as possible. The LCAO is disappointed with the President's request to flat fund the following valuable programs:
 - Congregate Nutrition
 - Home-Delivered Nutrition
 - Nutrition Services Incentive Program (NSIP)
 - Native American Nutrition
 - Supportive Services and Senior Centers
 - National Family Caregiver Support Program and the Native American Caregiver Support Program
 - Lifespan Respite Care
 - Long-Term Care Ombudsman Program
 - Elder Rights Support Activities
 - Senior Medicare Patrol (SMP)
- The LCAO is disappointed that for a second year, the President's proposal to flat fund Elderly Nutrition Programs (congregate, home-delivered, and Nutrition Services Incentive Program) fails to recognize the growing need or even an effort to compensate for rising fuel and foods costs in order to maintain current services. The Administration predicts funding at current levels will support an estimated 219 million meals for older adults; however, this number represents nearly 23 million fewer meals than the number of meals served in 2010. If we leave older adults without access to proper nutrition, it is likely they will end up hospitalized or institutionalized at a cost to the government that far exceeds the cost of providing adequate funds to enable them to furnish older adults meals in the homes and other settings.
- The LCAO is concerned by the President's decision to reverse his previous request for increased funding for Supportive Services and Senior Centers, the National Family Caregiver Support Program and the Lifespan Respite program, all as part of the Caregiver Initiative. We urge Congress to instead consider the FY 2012 request of \$96 million for these vital community programs that support family caregivers.
- The LCAO disagrees with the President's decision not to request funding for Program Innovations for testing and demonstrating promising new areas to move the aging network

forward. Particularly with the aging of the baby boom generation, it is critical that AoA develop a comprehensive and continuous focus on coordinating the knowledge gained through relevant research, field experience, demonstrations and evaluations. We urge Congress to restore funding to the FY 2011 level of \$19 million for these innovations.

- The LCAO appreciates the President's acknowledgment that the number of cases of elder abuse, neglect and exploitation are on the rise. However, the budget request inadequately addresses the need for specific funding for the Elder Justice Act (EJA). While \$8 million was included in this year's budget for adult protective services (APS) under the EJA, this is a sharp contrast from the FY 2012 budget of \$16.5 million for APS and an additional \$5 million for the OAA Long-Term Care Ombudsman Program. We urge Congress to provide \$21.5 million in first-time funding for the Elder Justice Act.
- The LCAO supports the transfer of the State Health Insurance Assistance Programs (SHIPs) to AoA to increase coordination with enrollment assistance and counseling efforts of the Aging Network and the recommended funding level of \$52 million. Transferring the SHIP program from CMS to AoA will enhance the program's ability to meet the ever-growing need to provide one-on one assistance and counseling on Medicare, Medicaid, and other insurance programs to older adults at the community level. With two-thirds of local SHIP programs operated through Area Agencies on Aging, this move makes good policy sense.
- The LCAO supports the continued mandatory funding of \$10 million for Aging and Disability Resource Centers (ADRCs), but recognizes the need for additional appropriated dollars if these innovative programs are to reach full capacity and sustainability.
- The LCAO commends the President for requesting a restoration of funding to the Alzheimer's Disease Demonstration Grants after facing a \$7 million cut in 2012. We urge Congress to support the President's request.

Department of Labor

- The LCAO is disappointed the Senior Community Service Employment Program (SCSEP) was once again funded at \$448 million. In FY 2011, SCSEP was subjected to a 45% cut and funding remains at this historically low-level. We urge Congress to restore funding for the SCSEP program to pre-ARRA funding levels.

Administration for Children and Families

- The LCAO is disappointed that the President chose to reduce funding for the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP funding has been a lifeline during the economic downturn and rising energy costs, helping to ensure that people do not have to choose between paying their energy bills and paying for food or medicine. We hope

LIHEAP's advocates in Congress will continue to support it and fund LIHEAP at the FY 2011 level of \$4.7 billion.

- The LCAO is disappointed that the Community Services Block Grant faces a \$350 million, or nearly 50%, cut in the President's budget. The CSBG supports the nation's infrastructure of Community Action Agencies that coordinate programs and leverage resources to serve low-income Americans and their families, including 2.3 million older adults and 1.7 million people with disabilities. We urge Congress not to support this cut.

Prevention and Public Health Fund (PPHF)

- The LCAO is opposed to the proposed \$4.5 billion reduction in the PPHF over 10 years. The Fund can provide needed investments to take evidence-based prevention programs for older adults to scale, which could significantly reduce Medicare, Medicaid and seniors' out-of-pocket costs.
- The LCAO supports the Administration's request to continue to provide \$10 million from the PPHF to the Chronic Disease Self-Management Program (CDSMP) at the Administration on Aging (AoA). We also support including \$3 million to CDC and \$7 million to AoA for Elder Falls Prevention, as proposed for FY 2012 by Senate appropriators. With 1 in 3 seniors falling each year, the cost is over \$28 billion annually and is expected to grow to \$55 billion in 2020.

Corporation for National and Community Service

- The President's FY 2013 Budget proposes to freeze funding for the National Senior Service Corps at FY 2012 levels, despite the 20 percent funding reduction the RSVP program suffered in 2011. We are seeing tremendous growth in both the need for the services senior volunteers provide and the number of older Americans strongly motivated to give back to their communities. Accordingly, for fiscal year 2013, the LCAO supports a restoration of the funds cut from RSVP in 2011 and an additional 5 percent increase. LCAO also supports a 10 percent increase in funding for the Foster Grandparent Program and Senior Companion Program to enable more low-income seniors to volunteer in service to their communities.

Department of Transportation

- The LCAO supports the Administration's FY 2013 request of \$100 million through the Department of Housing and Urban Development (HUD) for the inter-agency Partnership for Sustainable Communities, to create incentives for more communities to develop comprehensive housing and transportation plans that result in sustainable development, reduced greenhouse gas emissions and increased transit-accessible housing.

- The LCAO supports continued funding for enhanced transit, which is often necessary to provide older adults access to employment and shopping and allow them to maintain their independence. Programs supporting rural and small communities are important to allow greater access to public transit for people with disabilities in rural areas. Other capital grants and Federal Transit Administration (FTA) programs are important to allow local governments, many of whom are facing continuing budgetary challenges, to continue to provide public transit and paratransit services that older adults rely on.
- In addition, strong technical assistance support is needed to make all these critical systems work for older adults. The LCAO supports continued funding for targeted technical assistance and training activities such as the National Center on Senior Transportation.

Department of Agriculture

- The LCAO was pleased to see continued support for federal nutrition programs administered by USDA. We support the President's budget proposal for a \$10 million increase to the Commodity Supplemental Food Program (CSFP). CSFP provides monthly nutritious food packages to low-income older adults via local nonprofits and food banks in 39 States and the District of Columbia. In addition, we were pleased to see a continued commitment in funds for the Supplemental Nutrition Assistance Program (SNAP) and the Senior Farmers' Market Nutrition Program. We urge Congress to support these investments.

Health Care

It is a priority of LCAO to strengthen Medicare, Medicaid and other programs that help preserve access for older Americans to high-quality affordable health care. This includes a commitment to long-term services and supports and making such services safe, affordable and available in a variety of settings including in the community. We strongly support better funding and transitions to community-based care.

While we applaud provisions of the President's budget that help to meet these goals, LCAO has serious concerns about and opposes provisions that may reduce the deficit by shifting greater costs onto those with Medicare, half of whom earn \$22,500 or less per year. Instead, we encourage the Administration to continue its ongoing effort to strengthen the financial outlook of Medicare and health programs overall through policies that do not shift costs to older Americans, but instead attack the root cause of growing costs in Medicare and Medicaid, which is the increase in general health care inflation. These efforts include implementation of provisions in the Affordable Care Act (ACA) that reform the delivery and payment system to increase the efficiency of the health care sector and improve the quality of care people receive and proposals to reduce unnecessary spending. Please see our more specific comments below.

- **Alignment of Part D Drug Payment Policies with Medicaid Policies** - LCAO supports the proposal to save \$156 billion over ten years by allowing Medicare to benefit from the

pharmaceutical manufacturer rebates that Medicaid receives. Under the proposal, the required rebates would be extended to include drugs for all Medicare Part D low-income subsidy beneficiaries. This policy follows the precedent of rebate requirements that applied to Medicare/Medicaid dual eligibles prior to the establishment of the Part D program. This is a valuable approach to reducing the growth of Medicare spending.

- **Access to Generic Prescription Drugs** - LCAO supports the proposal to speed older adults' access to generic drugs by prohibiting "pay for delay" agreements between drug companies and by shortening the exclusivity period for generic versions of biologic drugs. Pay for delay agreements, where manufacturers of brand name drugs pay generic makers to keep generics out of the market, prevent older Americans from obtaining more affordable medications. These agreements should be banned. In addition, reducing the period of exclusivity for generic biologics from 12 to seven years will allow generic makers to market their drugs more quickly. As a result, older Americans and the Medicare and Medicaid programs will save billions of dollars.
- **Modify Part B Deductible for New Beneficiaries** - LCAO opposes policies to increase the Part B deductible by \$25 in 2017, 2019, and 2021 for new beneficiaries. Most Medicare beneficiaries have low or moderate incomes, and they already spend three times more out of pocket on health care than the non-Medicare population. Additional costs, which many cannot afford, are inappropriate and could lead to postponing necessary care.
- **Access to Affordable Home Health Care** – LCAO opposes the President's proposal to establish a copayment for new Medicare beneficiaries of \$100 per home health episode not preceded by a hospital or inpatient post-acute stay, starting in 2017. We feel it is ill-advised to hastily implement such a major policy change without an appropriate study. Section 3131(d) of the Affordable Care Act of 2010 requires the Secretary to conduct a study on home health agency costs of providing access to care to low-income Medicare beneficiaries and beneficiaries with severe illnesses. LCAO is deeply concerned that imposing a home health copayment will prevent Medicare beneficiaries from accessing much needed and appropriate home health services. As a result, beneficiaries will likely delay needed care or seek care in more costly settings.

We feel the Administration has also overlooked the adverse financial burden on providers who would be responsible for any uncollected copayment not reimbursed by Medicaid. Loss of funds would reduce resources that are essential to provide quality care, and many providers may inadvertently be discouraged from accepting low-income beneficiaries who may be at risk of defaulting on payment.

- **Part B Premium Surcharge for New Beneficiaries Purchasing Near-First-Dollar Medigap Coverage** - LCAO opposes the proposed surcharge on Medigap plans that offer the most comprehensive coverage supplementing Medicare, including first-dollar coverage. This proposal wrongly assumes that the beneficiary rather than doctors and providers is able

to determine what care is or is not necessary. In fact, no study has ever concluded that an alleged increase in utilization by those with supplemental benefits was for medically-unnecessary care. In addition, people with low and moderate incomes, who are in poorer health compared to their wealthier counterparts, would be the hardest hit and most likely to not seek care as a result of new out-of-pocket costs. Provisions in the ACA already require the National Association of Insurance Commissioners to recommend changes to Medigap policies that will require cost-sharing to encourage the appropriate use of physician services under Part B. That process should be implemented before more dramatic changes are considered.

- **Apply a Single Blended Matching Rate to Medicaid and CHIP and Phasing Down Medicaid Provider Tax Threshold** - LCAO opposes the Administration's request to apply a single blended matching rate to the Medicaid program, beginning in 2017. We also oppose phasing down the Medicaid provider tax threshold. These policies would ultimately result in serious cuts to Medicaid funding and shifting costs to the states. As a consequence, some states may cut back benefits, including reductions in optional Medicaid home and community-based services. Such policies could force individuals who could otherwise receive less-costly services at home to require more expensive institutional or acute care. From the provider perspective, the decrease in funding could have a negative impact on the financial viability of adult day providers, Program of All-Inclusive Care for the Elderly (PACE) providers, and home care providers that receive all or part of their payments from Medicaid.
- **Increase Income-Related Premiums Under Part B and Part D** - LCAO opposes policies to further income relate Medicare Part B and Part D premiums. Medicare already requires those with higher incomes to pay more. Furthermore, the provision included in the administration's budget would freeze income thresholds at \$85,000 until at least 25 percent or one in four of all Medicare beneficiaries pay an income related premium. As the value of the dollar changes over time, beneficiaries with more moderate incomes would face higher premium costs. If 25 percent of beneficiaries were required to pay income-related premiums today, those with incomes of \$47,000 or more would be subject to an additional premium. Also, we have serious concerns about the effect of this policy on the Part B and Part D risk pool. As Medicare becomes more expensive for higher-income individuals, they may choose to leave the program and enroll in private insurance, resulting in higher premiums for all those who remain in the program.
- **Coverage Options Under the Affordable Care Act** - LCAO is encouraged by the administration's plan to spend about \$860 million in discretionary spending to implement the Affordable Care Act health care reform law. Expanded Medicaid eligibility and subsidies to support coverage in new state exchanges will provide early retirees with improved options to access affordable coverage.

- **Funding for Alzheimer's Disease Research and Caregiving Support** - The LCAO applauds the Administration's continued commitment to Alzheimer's disease research and family caregivers. The additional \$80 million in FY13 for clinical research on an Alzheimer's cure, along with the \$26 million committed to training and support of family caregivers are positive steps in increasing awareness, finding a cure and recognizing the burdens of loved ones who care for those with Alzheimer's disease.

The LCAO also supports the President's call for increases in funding for other programs that aid Alzheimer's patients and caregivers in FY13. The Alzheimer's disease demonstration grants under the Older Americans Act will increase \$5 million to a proposed total of \$9 million in FY13. LCAO also appreciates efforts to maintain current funding levels for the Lifespan Respite Project and the National Family Caregiver and Support programs administered by the Administration on Aging.

Taken together, these new resources, coupled with the development of a National Alzheimer's Plan, reinforce the Administration's recognition that our nation must act now to find a cure and that the status quo is inadequate to meet the growing needs of Alzheimer's patients and caregivers as our population ages.

The LCAO does have concerns, however, that the modest funding for the Missing Alzheimer's Patient Alert program would be zeroed out under the Administration's FY13 budget.

- **Geriatric Health Care Provider Training and Education** - In the past, LCAO has been encouraged by the increased funding levels proposed for geriatric workforce programs under Title VII and Title VIII of the Public Health Service Act, even though Congress has not always followed the requests. Unfortunately, the President's FY 2013 budget proposal calls for level funding for most of these programs and excludes funding for one program.

These geriatric training programs are the only federal programs designed to address the shortage of professionals trained in geriatrics. The Title VII Geriatrics Health Professions programs—the Geriatric Education Centers (GECs), Geriatric Training for Physicians, Dentists, and Behavioral and Mental Health Professionals (GTPD), and the Geriatric Academic Career Awards (GACAs)—support geriatric training for faculty in medicine, nursing, social work, and other health care professions. (Another title VII program, the Geriatric Career Incentive Awards [GCIAs], remains unfunded for the second consecutive year.) The Title VIII Comprehensive Geriatric Education program provides grants to train nurses who will provide direct care to older adults, and who will also train other faculty members in geriatrics care.

In light of our nation's growing aging population and the current shortage of health care workers specializing in geriatrics, expanded federal investment in these workforce programs is essential. Without appropriate training for the health care professionals who deliver care to older adults, improvements in the quality, safety, and cost of care will lag, especially for

individuals with chronic and complex conditions. The coordinated care provided by interdisciplinary geriatric care teams improves the quality of care and prevents costly problems such as avoidable hospital admissions, falls, and medication errors.

- **Behavioral Health Services for Older Adults** - In addition, we are disappointed that the President's budget did not include funding for Grants to Enhance Older Adult Behavioral Health Services, commonly known as the Older Adult Targeted Capacity Expansion (TCE) program. This critical program—the only Substance Abuse and Mental Health Services Administration initiative devoted to older adult behavioral health—was also unfunded in FY 2012. The TCE program implements evidence-based practice models to improve behavioral health services for older adults. Past TCE projects have addressed critical concerns such as suicide prevention and prescription misuse/abuse.
- **Survey and Certification Funding** - LCAO supports the President's request to increase the FY 2013 survey and certification budget to assure continued comprehensive inspections of nursing homes and home health agencies that serve vulnerable elderly adults. The budget documents note the rapid growth in the number of providers subject to federal surveys over the last few years, especially in the area of home health. We are concerned that the requested \$32 million increase over FY 2012 will not be sufficient to cover the costs of the existing survey process plus the implementation of Affordable Care Act provisions on nursing home transparency and accountability.

Income Security

- **Social Security** - Social Security is critically important to the vast majority of Americans and is our nation's top poverty fighter. Its dependable monthly checks not only keep millions of retirees and families afloat, but also make a major contribution to the economic health of our local communities. Social Security is virtually unique among federal programs because it has its own income sources and is self-sustaining, with a reserve fund of nearly \$2.7 trillion.

Social Security is a vital source of income to more than 55 million Americans, including more than 90 percent of America's seniors. But it is more than a retirement plan in that it provides lifetime protection not just to workers, but to their family members as well. Some 38.5 million retirees and their family members receive Social Security, almost 10.5 million disabled workers and their family members and nearly 6.3 million survivors of deceased workers receive this important support. Altogether, about 6 million children receive benefits, either directly or indirectly from Social Security.

LCAO is pleased that the President's budget refrains from targeting Social Security as a vehicle for deficit reduction. In fact, his budget emphasizes that Social Security is not the cause of federal budget deficits or long-term debt and that the system does not face an immediate crisis. According to the President, the system's long-range shortfall should be dealt with only in terms of Social Security's future. LCAO could not agree more. We also

commend the President for taking a strong stand against privatizing Social Security either fully or partially.

In the budget, the President defends the importance of Social Security benefits for current and future retirees as well as for disability and survivor beneficiaries. This is reassuring, but as pressures grow for making cuts we hope the President maintains his resolve. LCAO urges the President and Members of Congress to take a strong stand against benefit cuts and in favor of revenue raisers. This is a position the President has taken in the past and one we hope will guide his future dealings with Congress.

- **Temporary Payroll Tax Cut Must End as Scheduled** - Like the President, we expect that the payroll tax cut from 2011 and 2012 will not continue and payroll rates will return to their normal levels. This is necessary for the future of retirement security.
- **SSA Administrative Funding** - Despite the Social Security Administration (SSA)'s enormous workloads and challenges, the agency's FY2013/2014 appropriation for administrative funding has seen only a slight increase from 2012. The President's budget request for SSA in FY 2013 is \$11.76 billion, which is nearly one billion less than the agency's modest recommendation of \$12.62 billion. We are concerned that a number lower than the SSA's request will make it difficult for SSA to properly serve beneficiaries and to maintain the progress already made in reducing waiting times for applications and appeals.

A lower appropriation could force vital SSA services to compete for very limited resources. Already SSA has been forced to institute a hiring freeze even as demands for its services have increased and will continue to do so. We are pleased that SSA plans, if its budget request is met, to resume sending the annual statements to workers over age 25. These statements are an important part of understanding and pursuing retirement planning for millions of Americans.

- **Automatic Workplace IRA** - LCAO appreciates the President's recognition of the importance of retirement savings plans in addition to Social Security. Once again, his budget proposes automatic individual retirement accounts. These automatic IRAs would make retirement saving simpler and more prevalent in the workplace, but have significant drawbacks. They do not guarantee retirement benefits and offer few worker protections. These plans require workers to bear all responsibility for making contributions as well as the investment risk. In addition, investments are insufficiently diversified and suffer from poor returns and higher fees. As a result, these plans may fall short of the comprehensive retirement-income solution that American workers need and desire.
- **Supplemental Security Income Program** - The Supplemental Security Income (SSI) Program provides a vital safety net for over 8 million Americans who will receive SSI in fiscal year 2013. Under SSI, enrollees who demonstrate severe economic need are eligible for financial assistance to help meet the basic costs of food and shelter. Although the

President's budget recognizes the importance of this program for America's neediest residents and proposes better funding for program administration, we regret that the budget includes no proposals to modernize a program that has for far too many years been on auto-pilot, with some financial eligibility criteria still based on a 1972 cost of living. In particular, we note the failure for many years to update the eligibility threshold, which does not allow an SSI recipient to have more than \$2,000 in resources. This unrealistic level means that SSI recipients do not have sufficient funds to make the repairs necessary to enable them to stay in their own homes.

We also applaud the President for including in his budget a proposal that would allow refugees who are pursuing citizenship to receive SSI for an additional two years beyond the current seven-year limit. While we would rather see the time limit on eligibility eliminated completely, this extension would recognize the challenges faced by this aging population in completing the naturalization process and provide two more years of much needed benefits.

- **Federal Worker Retirement** - The President's budget proposes to increase payroll contributions for retirement benefits for federal employees, without an increase in their annuities. At the same time, the budget proposes to eliminate provisions of law which level the playing field for federal retirees not covered by CSRS, all as a means of deficit reduction.

The LCAO opposes President Obama's proposals to change the retirement system for federal employees by increasing retirement contributions and eliminating the FERS annuity supplement. In effect, the President's proposal imposes a tax on middle class public servants without any enhancement of their retirement income security.

Affordable Housing for Seniors

- **Section 202 Supportive Housing for the Elderly** - LCAO is pleased that the President has requested \$475 million for the Section 202 housing program to maintain housing for existing Section 202 project-based rental assistance contract (PRAC) projects and to provide for additional housing units for very low-income elderly. There are a number of significant changes that the administration proposes in the budget to provide operating assistance only for new development. Under the new Section 202 proposal, HUD anticipates that the new development would be funded under the Low Income Housing Tax Credit program (LIHTC) or other financing and HUD would require state housing finance agencies to partner with state Medicaid agencies in selecting new projects and processing applications.

LCAO appreciates the President's recognition that new supportive housing for very-low income seniors is desperately needed. LCAO strongly supports funding the Section 202 program for at least the amount of the President's request and to accommodate new housing, including new development, rental assistance, assisted living conversion program to incorporate the new "service enriched housing" model and service coordination. In addition we hope that the growing rate of senior homelessness makes it clear that new housing for this

vulnerable population cannot wait. In the event HUD is not able to issue a notice of funding availability (NOFA) in 2013 with their proposed programmatic changes, then the allocated funding should be made available under the existing Section 202 capital advance program.

- **Project Based Section 8 Contracts** - The President proposes \$8.7 billion to renew Section 8 project based rental assistance contracts with a provision to “short-fund” contracts, leaving two-thirds of housing providers without full twelve-month contracts. “Short funding” was implemented in 2007 with devastating effects on providers, properties and residents. In response to the outcry from providers and residents, Congress was forced replenish the Section 8 account by \$2 billion later. LCAO supports funding to provide for the full 12 month contracts that providers need to ensure stability.
- **Medical Deductions for Seniors with Section 8 Assistance** - The President’s budget also proposes changes in the medical deductions for unreimbursed medical expenses, increasing the threshold from 3% to 10% of income for Section 8 program participants. This change would severely burden those residents with the lowest incomes and the highest medical expenses. We urge Congress to provide for a hardship exemption in this new formula to protect seniors from burdensome rent increases.
- **Housing Counseling for Seniors** - The President has requested \$55 million to support HUD housing counseling services. While LCAO applauds the Administration for proposing a \$10 million funding increase in FY2013, we believe that only the full restoration of funds to the FY2012 request of \$88 million can accurately address demand for this critically important service. We know first-hand the role a housing counselor can play in helping homeowners avoid foreclosure, educating first-time home buyers on the complexities of homeownership and helping seniors evaluate the costs and benefits of reverse mortgages.

Recent annual data show that older adults made up 25.5% of the population transitioning from homeownership to rental housing and accounted for more than 25% of the homebuyer market. Countless studies have also suggested that sellers of predatory mortgage products target older Americans and that older adults have been hit especially hard by the housing market crash. The reality is that many of America’s seniors are still facing foreclosure and dealing with the fallout from losing significant home equity in their retirement years. Counselors funded by the HUD Housing Counseling Assistance Program are trained to speak directly to each of these issues and provide older adults with a solid foundation for making informed decisions to address their housing needs.